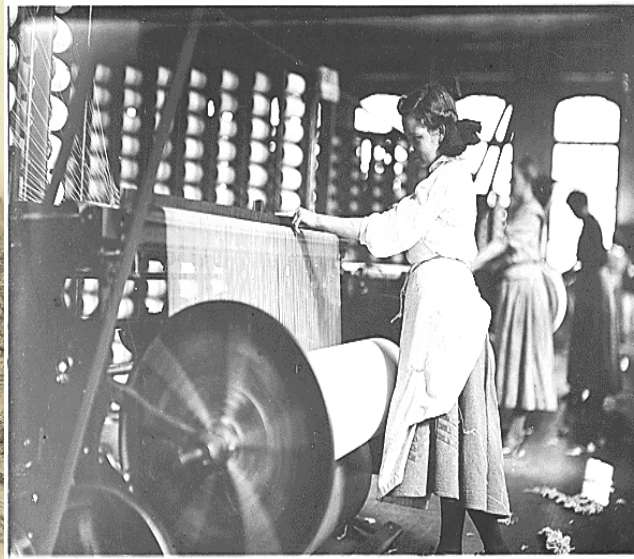


ALABAMA ECONOMY AND JOBS



ECONOMIC & COMMUNITY DEVELOPMENT INSTITUTE

Auburn University & Alabama Cooperative Extension System

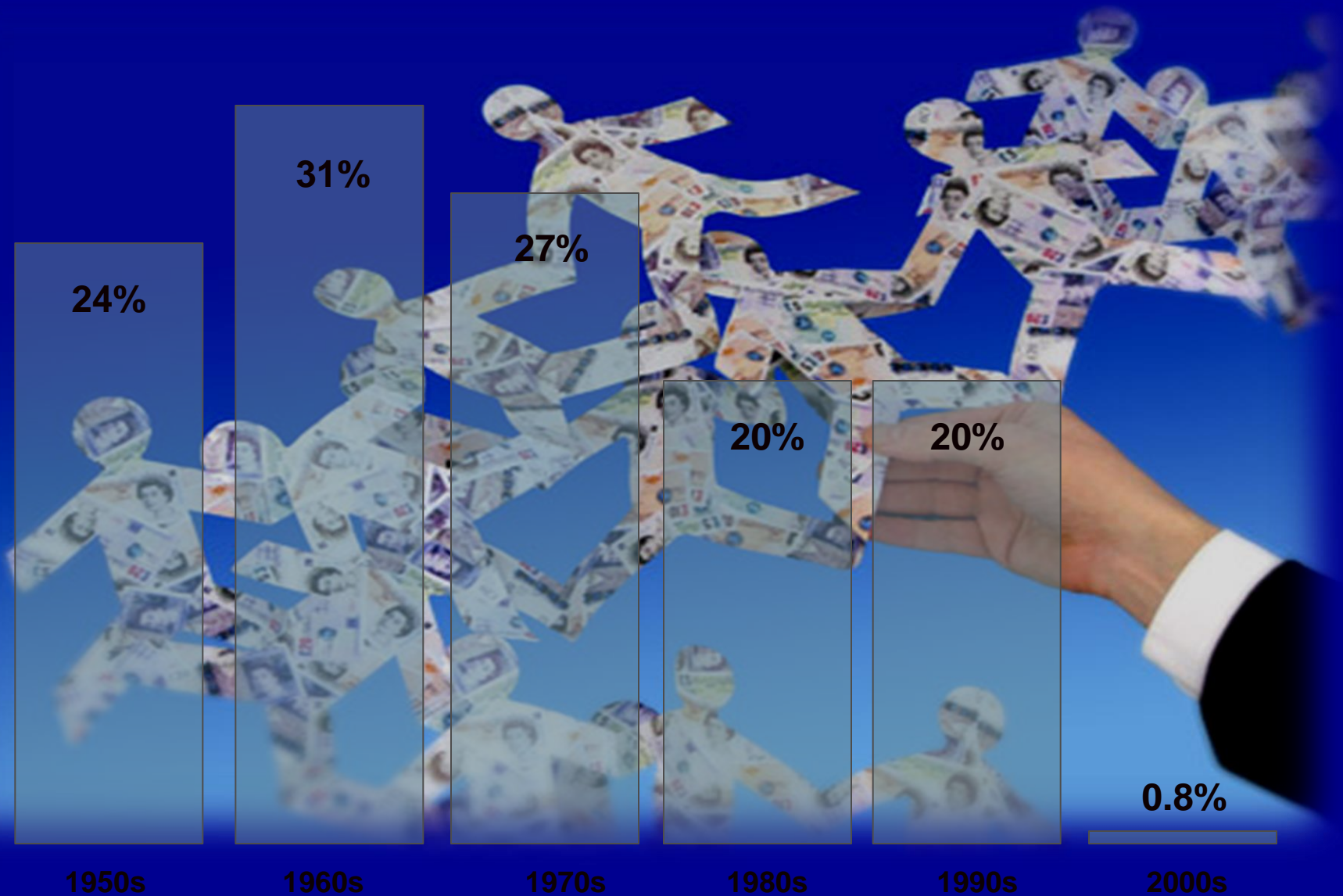


Joe A. Sumners, Ph.D., Director

ECONOMIC AND WORKFORCE DEVELOPMENT

- ❑ **The number one issue in economic development today is workforce.**
- ❑ Business leaders' main concern - finding workers with the skills to meet 21st Century job demands.

US CHANGE/EMPLOYMENT



Source: US Commerce Department: Labor Department

“Our economy is bigger than it was before the start of the Great Recession. Corporate profits are back. Business investment in hardware and software is back -- higher than it's ever been. What's not back is the jobs.”

Andrew McAfee, MIT



Source: CBS 60 Minutes Interview 1-13-13

GLOBALIZATION AND TECHNOLOGY

“National recovery won’t bring jobs back to the rural South. ***Production has moved to other countries with lower wages, or plants have substituted technologically advanced machines for people.*** Tens of thousands of jobs are not coming back.”

“The State of the South 2002: Shadows in the Sunbelt Revisited” (MDC, Inc.)

GLOBALIZATION



- ❑ Foxconn (the Chinese factory where most iPhones are made) employs 230,000 workers.
- ❑ Average wage for production workers is \$17 per day and they work 6 days a week/12 hours a day.

TECHNOLOGY



The percentage of Americans with jobs is at a 20-year low. Just a few years ago if you traveled by air you would have interacted with a human ticket agent. Today, those jobs are being replaced by robotic kiosks. Bank tellers have given way to ATMs, sales clerks are surrendering to e-commerce and switchboard operators and secretaries to voice recognition technology.

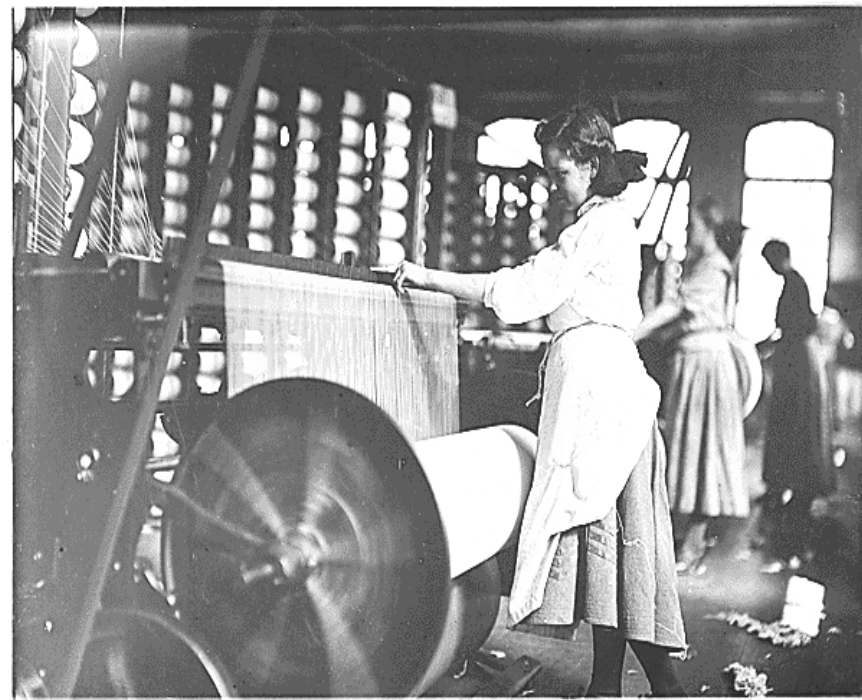
ALABAMA' S ECONOMY: WHERE ARE WE?

GOODBYE OLD ECONOMY JOBS

Projected fastest declining occupations by 2018:

(Alabama Department of Industrial
Relations)

- ✓ Sewing machine operators
- ✓ Textile machine setters,
operators and tenders
- ✓ File clerks
- ✓ Order clerks
- ✓ Computer operators
- ✓ Mail clerks and mail machine
operators (except Postal
Service)



ALABAMA'S NEW ECONOMY

Projected fast-growing occupations by 2018:

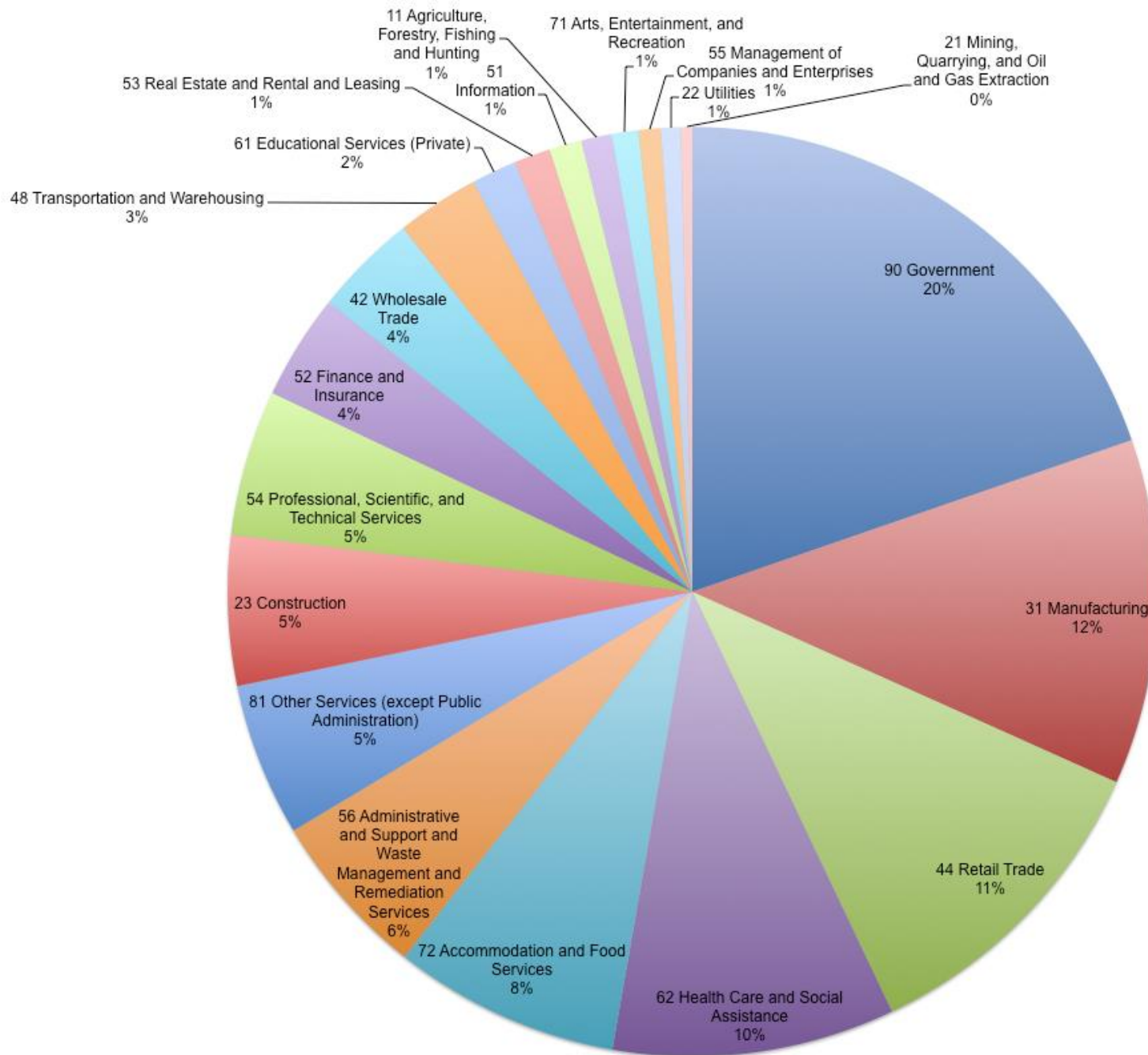
(Alabama Department of Industrial Relations)

- ✓ Pharmacists
- ✓ Physical Therapists
- ✓ Registered Nurses
- ✓ Computer software engineers
- ✓ Network systems and data communications analysts
- ✓ Physician assistants
- ✓ Home health aides
- ✓ Aircraft assemblers, mechanics and service technicians
- ✓ Welders



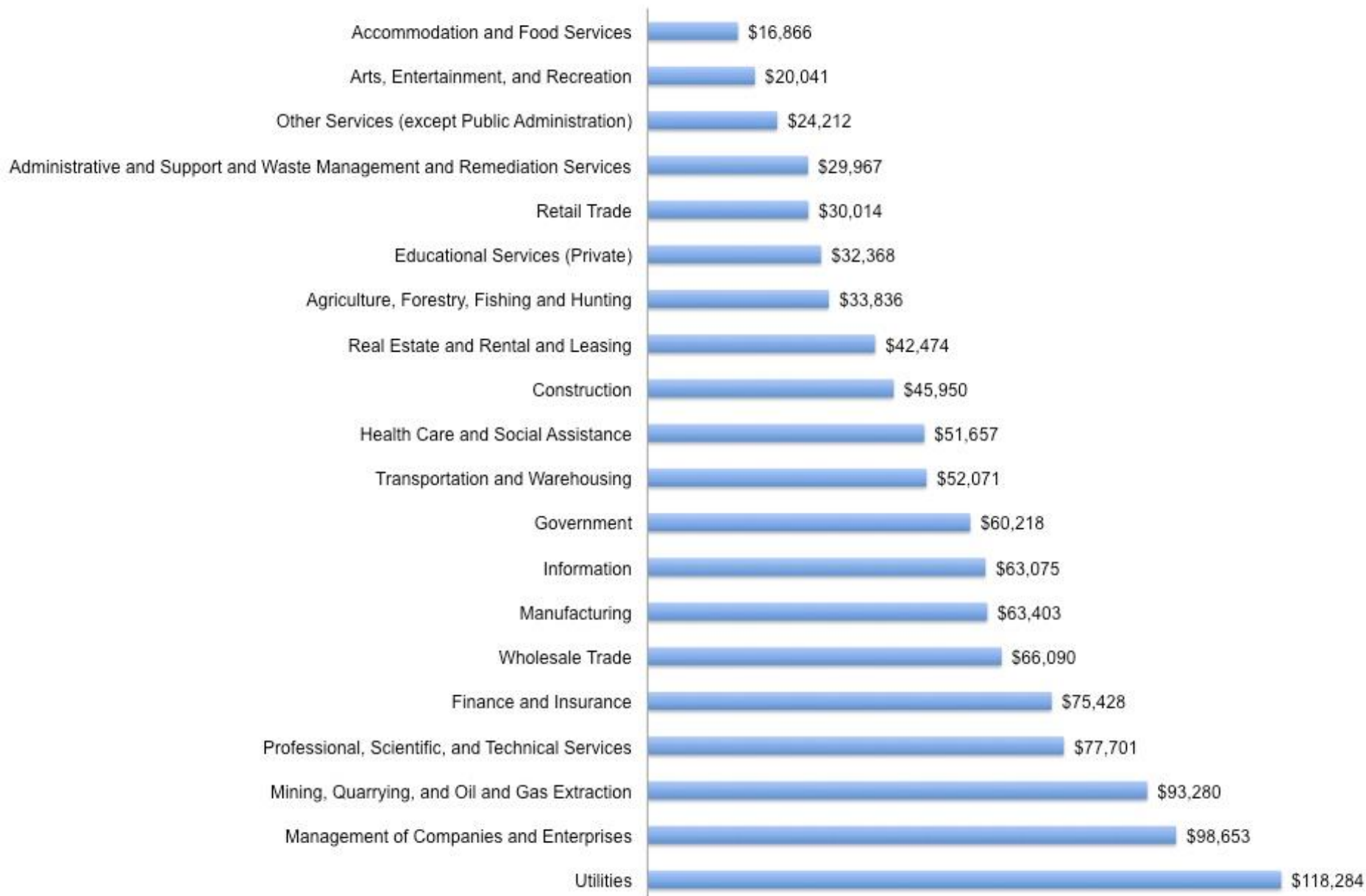
ALABAMA INDUSTRY SECTORS: JOB CHANGE 2007-2012

	Change from 2007 to 2012
All Sectors	-8.0%
Ag, forestry, fishing, hunting, mining	1.9
Arts, entertainment, recreation, accommodation and food services	1.7
Education services, health care, social assistance	1.0
Transportation, warehousing, utilities	-1.3
Professional, scientific, management, administrative, waste mgt.	-3.0
Finance, insurance, real estate	-4.6
Retail Trade	-8.8
Wholesale trade	-11.1
Manufacturing	-17.4
Information	-17.2
Construction	-31.8
(U.S. Census Bureau, 2007 and 2012 County Business Patterns)	



Alabama Jobs by Industry 2013

2014 Average Earnings Per Job by Industry



JOB CHANGE (2003-2012)

FL	LA	US	TN	KY	NC	GA	SC	AL	AR	MS
5.8	2.5	2.2	1.9	0.6	0.4	0.1	-0.1	-0.7	-1.1	-1.8

JOB CHANGE (2008-2012)

LA	US	AR	MS	KY	FL	TN	SC	NC	GA	AL
-0.7	-4.1	-4.6	-5.2	-5.7	-5.9	-6.0	-6.4	-6.5	-6.7	-7.5

From June 2013 to June 2014, the total number of jobs grew by less than 0.3 percent, ranking 47th among U.S. states.

Source: US Census Bureau

UNEMPLOYMENT RATE (2013 AVERAGE)

LA	AL	FL	US	AR	SC	NC	GA	TN	KY	MS
6.2	6.5	7.2	7.4	7.5	7.6	8.0	8.2	8.2	8.3	8.6

Alabama was the only state in the U.S. to see its unemployment rate increase from June 2013 (6.5%) to June 2014 (6.8%).

Source: Bureau of Labor Statistics

POPULATION CHANGE

2000-2013

NC	FL	GA	TN	US	SC	AR	KY	AL	MS	LA
22.3	22.3	22.1	14.2	12.3	10.0	10.7	8.7	8.7	5.2	3.5

2010-2013

FL	NC	SC	GA	US	TN	AR	KY	AL	LA	MS
7.0	3.4	3.2	3.1	2.4	2.4	1.5	1.3	1.1	2.0	0.8

Source: US Census Bureau

PERCENT OF ADULTS (25+) WHO HAVE COMPLETED HIGH SCHOOL (2008-12)

FL	US	NC	GA	SC	TN	AR	AL	KY	LA	MS
85.8	85.7	84.5	84.4	84.0	83.9	83.3	82.6	82.4	82.2	81.0

Source: US Census Bureau

PERCENT OF ADULTS (25+) WITH BACHELOR'S DEGREE OR MORE (2008-12)

US	GA	NC	FL	SC	TN	AL	LA	KY	MS	AR
28.5	27.8	26.8	26.2	24.6	23.5	22.3	21.4	21.0	20.0	19.8

Source: US Census Bureau

MEDIAN HOUSEHOLD INCOME (2008-12)

State	Med HH \$	% of Nation
Georgia	\$49,604	94%
Florida	47,309	89
North Carolina	46,450	86
Louisiana	44,673	84
South Carolina	44,623	84
Tennessee	44,140	83
Alabama	43,160	81
Kentucky	42,610	80
Arkansas	40,531	76
Mississippi	38,882	73

National Average \$53, 046

(U.S. Census, American Community Survey 5-year Estimates)

PERSONS BELOW POVERTY (2008-12)

US	FL	NC	TN	SC	GA	AL	KY	AR	LA	MS
14.9	15.6	16.8	17.3	17.6	17.4	18.1	18.6	18.7	18.7	22.6

Source: US Census Bureau

TWO ALABAMAS

Alabama Commerce Commission (2000):

“Clearly, there are two Alabamas, one urban and one rural. The first is enjoying relative success, although there are deeply distressed pockets within our urban areas. The second, for the most part, is making little or no progress and continues to keep Alabama from being recognized as a successful competitor.”

Rural counties have:

- ❑ A greater percentage of population over 65 years of age
- ❑ Higher unemployment
- ❑ Lower median family incomes
- ❑ Lower percentages of high school graduates
- ❑ Lower average ACT and SAT scores

“THREE” ALABAMAS?

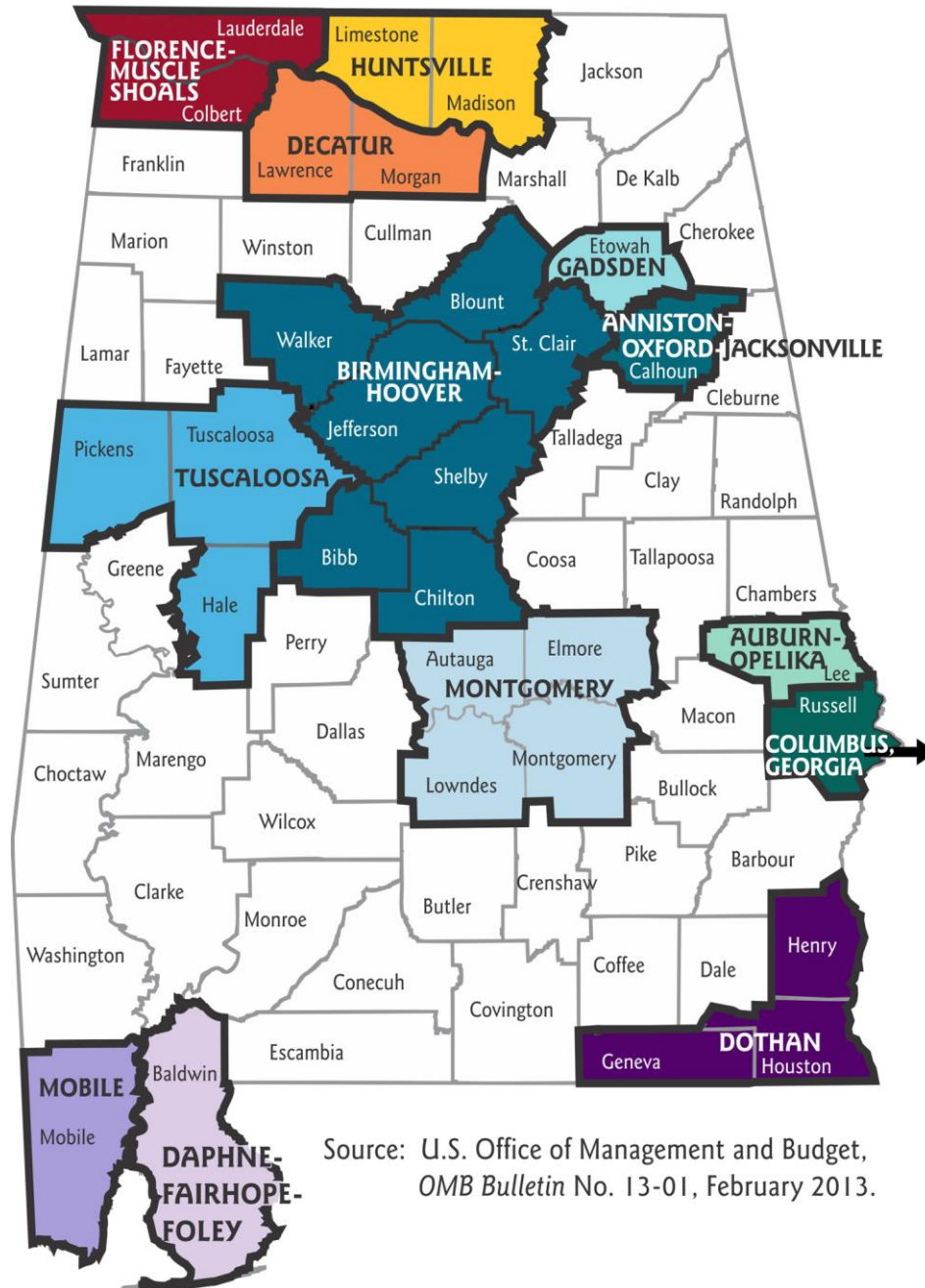
METRO, MICRO AND RURAL COUNTIES

Metropolitan – core area includes urbanized area with 50,000 or more inhabitants and outlying counties linked by commuting patterns (29 counties).

Micropolitan – core area with cities of 10,000 to 49,999 and surrounding counties linked by commuting ties (9 micro areas in 10 Alabama counties).

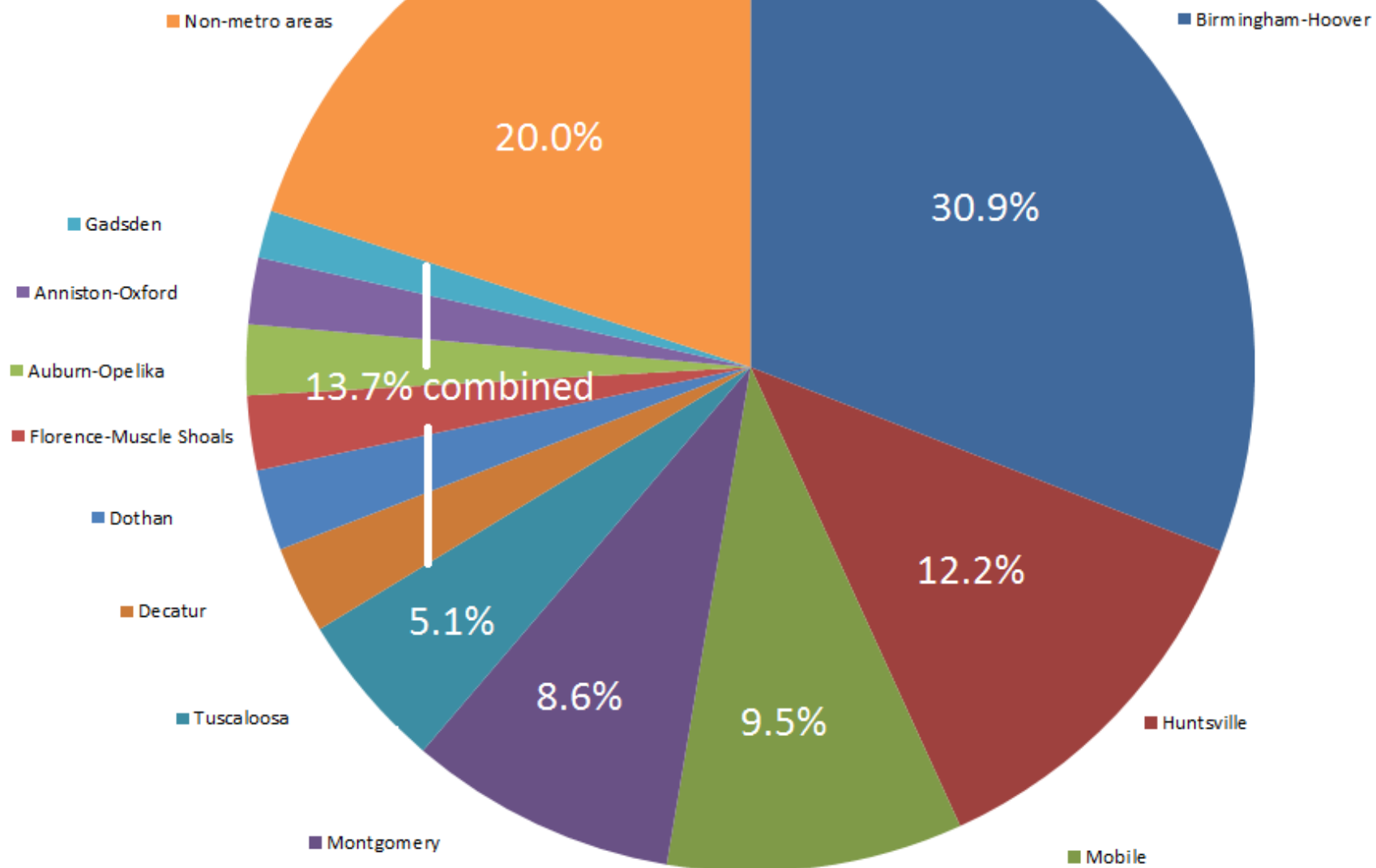
Rural (non-core) – 28 counties that do not meet definition for metro and micropolitan areas.

Alabama's Metropolitan Areas, 2013

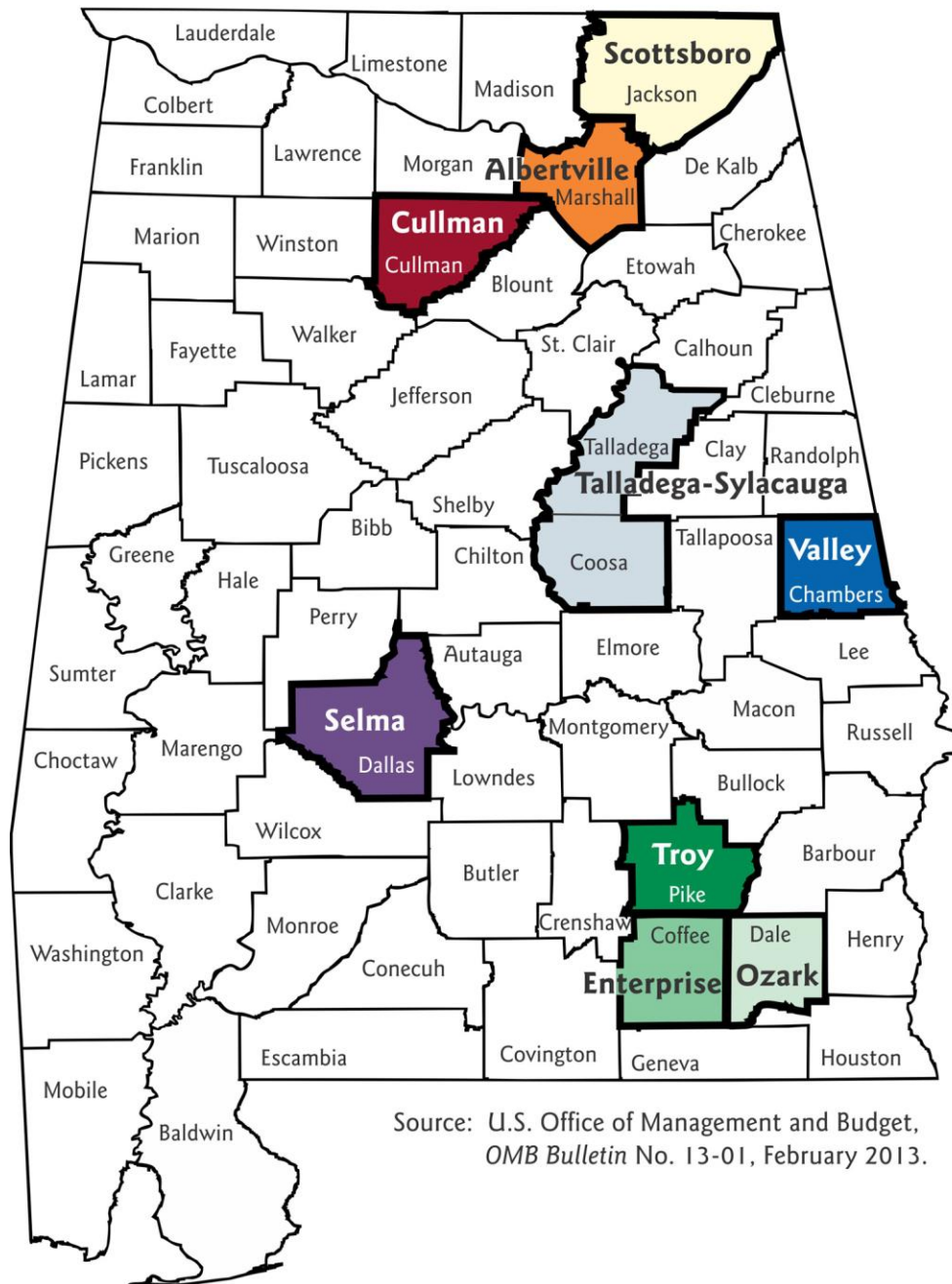


Source: U.S. Office of Management and Budget,
OMB Bulletin No. 13-01, February 2013.

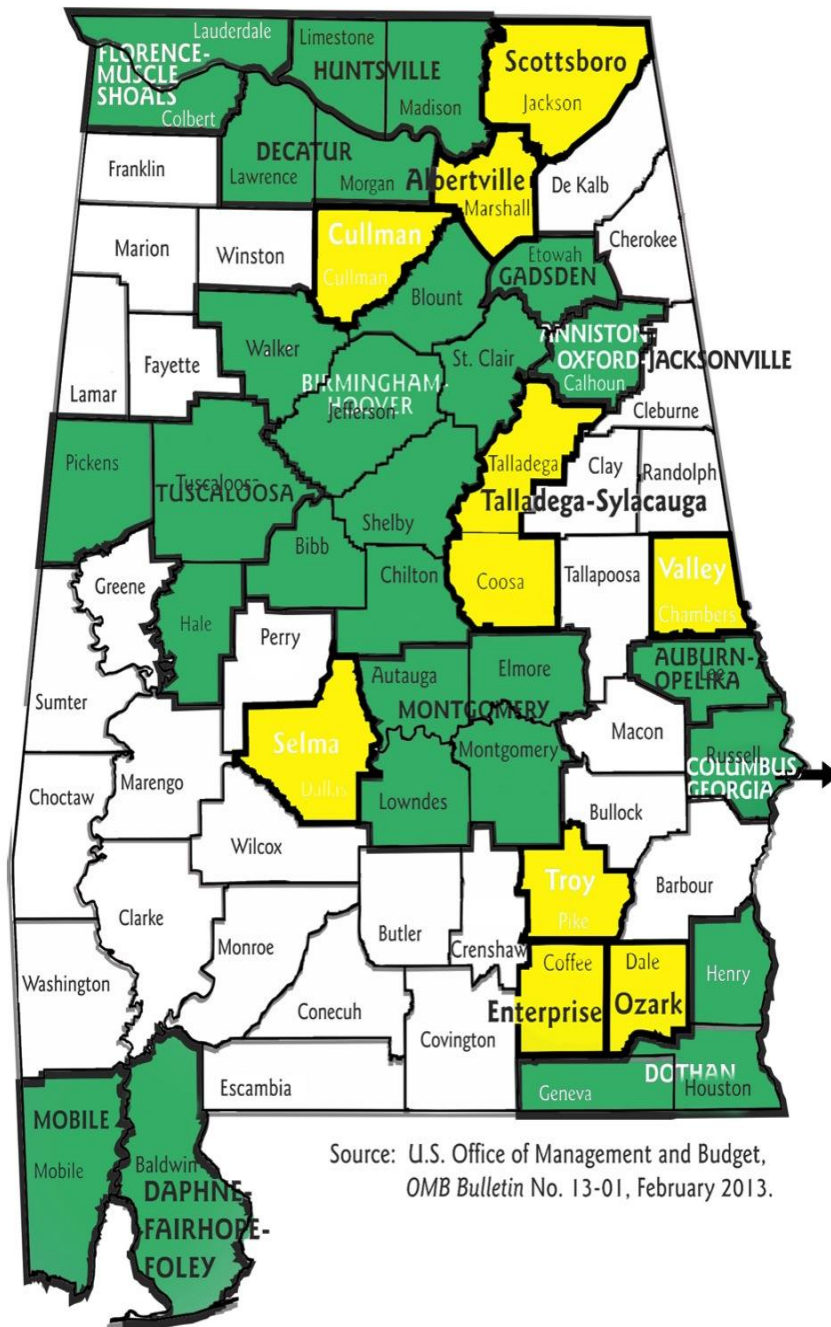
Percent of Alabama GDP, 2011



Alabama's Micropolitan Areas, 2013



Source: U.S. Office of Management and Budget,
OMB Bulletin No. 13-01, February 2013.



Source: U.S. Office of Management and Budget,
OMB Bulletin No. 13-01, February 2013.

ECONOMIC VITALITY INDEX:

RANKING ALABAMA COUNTIES (2014)

(population change, educational attainment, income, and employment)

1.	Shelby (metro)	16.	Colbert (metro)	31.	Covington (rural)
2.	Madison (metro)	17.	Lauderdale (metro)	32.	Bibb (metro)
3.	Baldwin (metro)	18.	Cullman (micro)	33.	Jackson (micro)
4.	Elmore (metro)	18.	Mobile (metro)	34.	Washington (rural)
5.	Autauga (metro)	20.	Lawrence (metro)	35.	Tallapoosa (rural)
6.	St. Clair (metro)	21.	Marshall (micro)	36.	Geneva (metro)
7.	Limestone (metro)	22.	Cherokee (rural)	37.	Franklin (rural)
8.	Lee (metro)	23.	Montgomery (metro)	38.	Cleburne (rural)
8.	Tuscaloosa (metro)	24.	Russell (metro)	38.	Walker (metro)
10.	Coffee (micro)	25.	Chilton (metro)	40.	Talladega (micro)
11.	Morgan (metro)	26.	Pike (micro)	41.	DeKalb (rural)
12.	Jefferson (metro)	27.	Henry (metro)	42.	Fayette (rural)
13.	Houston (metro)	28.	Etowah (metro)	43.	Marengo (rural)
14.	Blount (metro)	29.	Crenshaw (rural)	44.	Lamar (rural)
15.	Dale (micro)	30.	Calhoun (metro)	45.	Randolph (rural)
				46.	Coosa (micro)

ALABAMA COUNTY ECONOMIC VITALITY INDEX

(population change, educational attainment, income, and employment)

- | | | | |
|-----|------------------|-----|-----------------|
| 47. | Escambia (rural) | 58. | Marion (rural) |
| 48. | Bullock (rural) | 59. | Sumter (rural) |
| 49. | Butler (rural) | 60. | Winston (rural) |
| 50. | Chambers (micro) | 61. | Hale (metro) |
| 51. | Barbour (rural) | 62. | Dallas (micro) |
| 51. | Clarke (rural) | 63. | Monroe (rural) |
| 52. | Macon (rural) | 64. | Conecuh (rural) |
| 54. | Choctaw (rural) | 65. | Perry (rural) |
| 55. | Lowndes (metro) | 66. | Greene (rural) |
| 56. | Clay (rural) | 67. | Wilcox (rural) |
| 57. | Pickens (metro) | | |



COUNTY ECONOMIC VITALITY:

POPULATION CHANGE

	2000-2013	2010-2013
Alabama	8.7%	1.1%
Median County	1.0%	-0.5%
Metro	7.9%	0.3%
Micro	1.3%	-0.6%
Non-Core	-6.8%	-2.5%

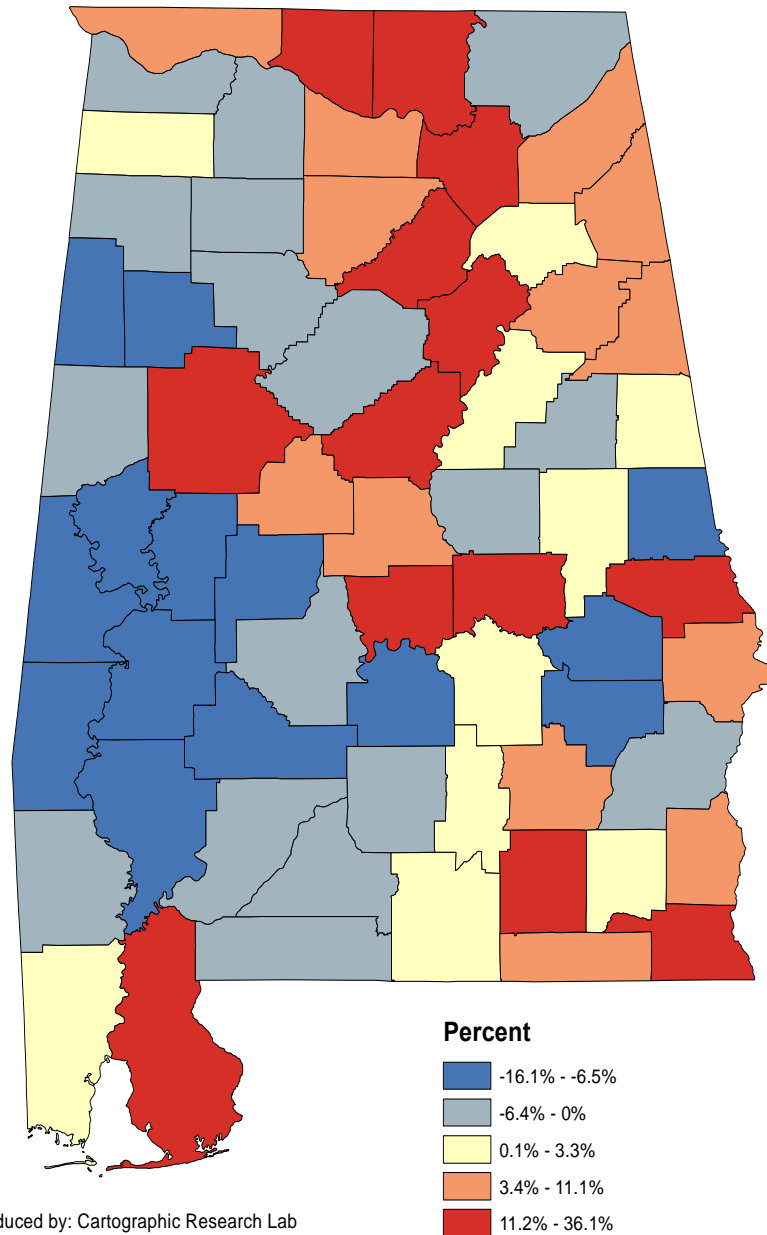
POPULATION CHANGE

Between 2000 and 2013,

- ❑ Only 18 counties had greater growth than state average (8.7%)
 - ❑ Shelby 42.5%; Baldwin 39.3%; Limestone 35.3%; St. Clair 33.3%; Lee 31.1%
- ❑ 6 (of 29) metro counties lost population:
 - Lowndes (-20.6%)
 - Hale (-10.4%)
 - Pickens (-7.4%)
- ❑ 4 (of 10) micropolitan counties lost population:
 - Coosa (-10.7%)
 - Dallas (-9.4%)
- ❑ 21 (of 28) rural counties lost population
 - Macon (-18.3%)
 - Choctaw (-15.7%)
 - Perry (-15.5%)

Between 2010 and 2013, 40 counties lost population

Total Population Change, 2000 - 2010



Produced by: Cartographic Research Lab
Department of Geography
University of Alabama
Source: U.S. Census Bureau

COUNTY ECONOMIC VITALITY:

WORKFORCE READINESS (2008-12)

	HS Graduation	BS or More
Alabama	82.6%	22.3%
Median County	77.1%	13.1%
Metro	81.7%	18.0%
Micro	76.9%	13.7%
Non Core	75.5%	11.8%

WORKFORCE READINESS

HS graduation rate:

Metro

- Shelby (92%)
- Hale (73%)

Micro

- Dale (84%)
- Chambers (74%)

Non Core

- Marengo (83%)
- Wilcox (70%)

BS degree or higher:

Metro

- Shelby (41%)
- Bibb (9%)

Micro

- Coffee (23%)
- Coosa (10%)

Non Core

- Macon (20%)
- Marion (9%)

COUNTY ECONOMIC VITALITY: INCOME (2008-12)

	Median HH Income	Poverty
Alabama	\$43,160	18.1%
Median County	\$37,059	19.8%
Metro	\$41,828	17.7%
Micro	\$34,564	19.8%
Non Core	\$33,995	22.5%

INCOME

Median Household Income of less than \$35,000:

Metro

- ❑ Lowndes (\$28,023)
- ❑ Pickens (\$28,762)
- ❑ Hale (\$29,409)
- ❑ Russell (\$33,591)
- ❑ Geneva (\$33,618)

Micro

- ❑ Dallas (\$26,178)
- ❑ Pike (\$31,702)
- ❑ Chambers (\$32,181)

Rural

- ❑ 17 (of 28) counties

❑ Shelby \$69,379

Poverty Rate greater than 22%:

Metro

- ❑ Hale (27.7%)
- ❑ Pickens (27.4%)
- ❑ Lowndes (23.6%)
- ❑ Russell (22.2%)

Micro

- ❑ Dallas (36.5%)
- ❑ Pike (27.1%)
- ❑ Chambers (23.3%)

Rural

- ❑ 15 (of 28) counties

❑ Shelby 7.7%

COUNTY ECONOMIC VITALITY:

EMPLOYMENT

	Job Change (2006-2011)	Unemployment (2013)
Alabama	-8.2%	6.5%
Median County	-11.8%	7.1%
Metro	-9.6%	6.2%
Micro	-11.8%	7.1%
Rural	-18.5%	7.9%

EMPLOYMENT

Job Loss (2006-2011)

Metro

- ❑ 23 of 29 counties lost jobs
 - Russell (9% gain)
 - Henry (32% loss)

Micro

- ❑ 9 of 10 counties lost jobs
 - Dale (8% gain)
 - Chambers (31% loss)

Rural

- ❑ 27 of 28 counties lost jobs
 - Washington (14% gain)
 - Tallapoosa (40% loss)

Unemployment (2013)

Metro

- ❑ St. Clair (4%)
- ❑ Hale (10%)

Micro

- ❑ Cullman (6%)
- ❑ Dallas (13%)

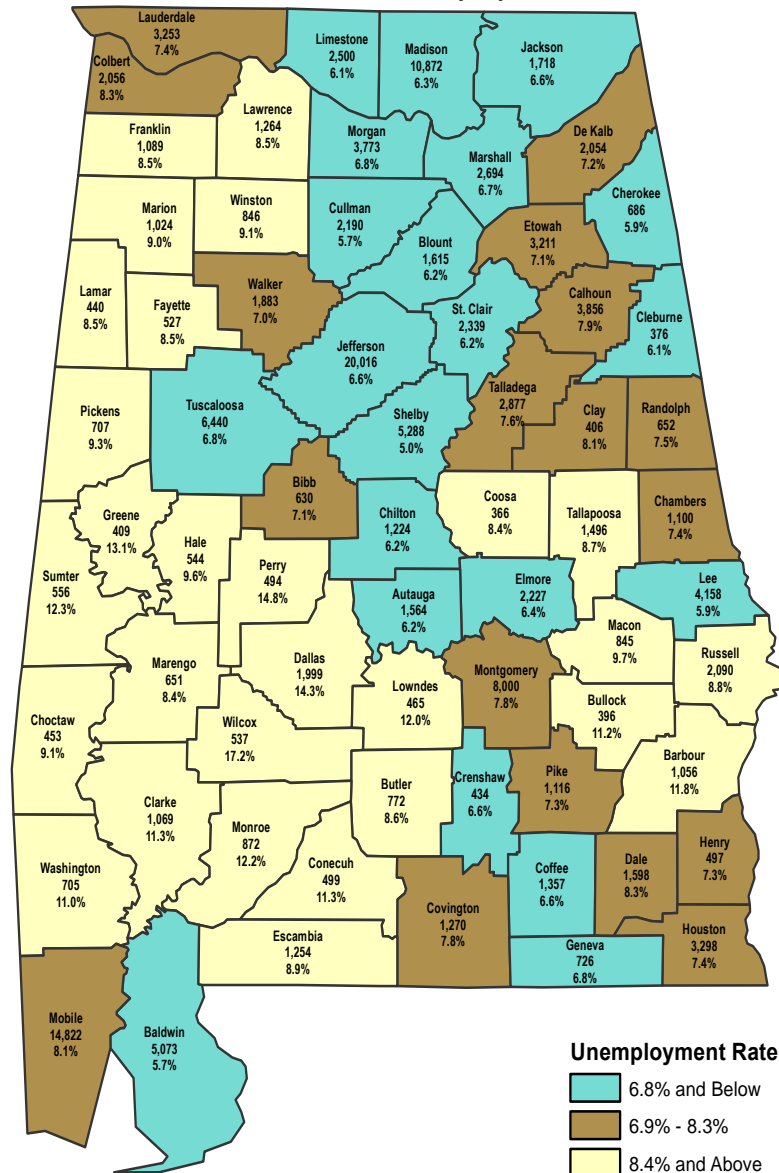
Rural

- ❑ 16 of 28 counties >8%
 - Cherokee (6%)
 - Wilcox (16%)

ALABAMA UNEMPLOYMENT RATE AND NUMBER UNEMPLOYED

June 2014 Preliminary

State Rate Seasonally Adjusted: 6.8%
 State Rate Not Seasonally Adjusted: 7.1%
 Counties Not Seasonally Adjusted



COUNTY ECONOMIC VITALITY INDEX: THE GREAT DIVIDE

INDEX RANK	COUNTY	POPULATION CHANGE		WORKFORCE READINESS		INCOME		EMPLOYMENT	
		Pop. Chg. 2000-13	Pop. Chg. 2010-13	HS	BS or >	HH \$	Poverty	Job Chg.	Unemploy
1	Shelby	43%	5%	92%	41%	\$69,379	8%	5.1%	6%
2	Madison	25	4	90	38	\$58,242	12	2	6
3	Baldwin	39	7	88	28	\$50,706	13	-6	6
4	Elmore	23	2	86	21	\$55,514	13	6.1	6
5	Autauga	27	1	85	22	\$53,773	12	-3	6
Top 5 Average		31%	4%	88%	30%	\$57,523	12%	1%	6%
63	Monroe	-9%	-4%	76%	10%	\$30,996	26%	-36%	11%
64	Conecuh	-9	-3	76	10	\$27,064	30	-28	10
65	Perry	-16	-5	72	11	\$31,008	27	-11	13
66	Greene	-12	-3	76	12	\$23,777	33	- 37	10
67	Wilcox	-14	-3	71	11	\$24,212	39	-22	16
Bottom 5 Average		- 12%	- 4%	74%	11%	\$27,411	31%	-27%	12%
39									

“Every morning in Africa, a gazelle wakes up. It knows it must run faster than the fastest lion or it will be killed. Every morning a lion wakes up. It knows it must outrun the slowest gazelle or it will starve to death. It doesn't matter whether you are a lion or a gazelle. When the sun comes up, you better start running.”

- African proverb
(Friedman, *The World is Flat*, 2005)



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